

were sown with gum- and wattle-seeds, and 270 acres planted with pines and other forest-trees. Mr. Wright's observations on the small cost that the planting can be done are very encouraging, for there are large treeless districts in the colony yet in possession of the Crown that would be vastly improved by being clothed and adorned with plantations. A copy of his specification of work to be done in preparing land for tree-planting is given with the report, and may be useful to others about to plant. It is to be hoped that Mr. Wright's parting injunctions to the County Councils about keeping the plantation-fences secure against the inroads of cattle and sheep will be scrupulously observed, for neglect in that particular may cause the work of years to be undone in a few hours.

In the Appendix will also be found a report on the Cardrona Nursery, Lake County, by Mr. R. McDougall, to whose spirit, energy, and valuable services given gratuitously for years we owe the creation of the nursery, and the practical proof of what trees are suitable for the soils and altitude of the lake districts.

The Maniototo County Nursery, near the main-road end of Rough Ridge, at an altitude of 1,700ft. above sea-level, has done a very useful work in showing what kinds of trees succeed in the interior of the country, and in affording settlers an opportunity of getting hardy acclimatized plants for their shelter-belts. The report of last year's operations has not yet reached this office, and therefore cannot be embodied in this report.

FOREST AND AGRICULTURAL BRANCH.

The department has for the last few years endeavoured to promote rural economy by disseminating information on dairy management, on olive- and silk-culture, and other subtropical industries; by encouragement of forest-tree planting; and generally by doing from time to time what seemed most likely to give an impetus to settlement. For more than a year the department has had the services of two officers solely devoted to these objects: Mr. Kirk as Conservator of Forests, and Mr. W. de G. Reeves as officer in charge of the Agricultural Branch. Both have prepared annual reports for publication which will enter into details, but it will be interesting to sketch here the main outlines of the year's operations:—

In the School of Forestry, near Whangarei, a beginning has been made in the preparation of the ground for plantations and orchards; about 1,900 acres are being enclosed in a ring-fence, 600 acres have been ploughed, and it is proposed to plough 200 acres additional for plantations, and to plant fully 2,000 fruit-trees—oranges and olives, &c.; also to commence a series of experiments with grasses and forage-plants. A cottage and outhouses have been erected for the nurseryman, and other necessary work done, which need not be further detailed.

Wairenga, Waikato.—On a reserve of Crown lands intersected by the railway-line a plantation of wattles and eucalypti was commenced last year, but on account of the dry season and poor soil the plants have not done well so far. It is intended to sow fully six hundred acres with wattle and red-gum this season.

Pukipuhi Forest, about thirty miles north of Whangarei, contains a large amount of kauri. It is proposed to commence plantations on the south-west margin of this valuable forest, to act as a safeguard against fire from the surrounding fern. In the matter of bush-fires it is satisfactory to report that, notwithstanding the recent unusually dry summer, no serious fire occurred in any of the State forests in the Auckland District.

In the Maniototo Plain, Otago, it is proposed this year to plough a portion of one of the plantation reserves set apart for forest purposes a few months ago, and to plant and sow it. There is no place in the colony where the creation of a State forest seems more necessary than in the dry, bare, open country of Maniototo, where within a radius of fifty miles there is not a single indigenous tree growing.

Forest Regulations.—Rules for controlling the cutting and removal of timber in the State forests have been brought into force, and so far have worked satisfactorily.

Agriculture.—In the Agricultural Branch Mr. Reeves has devoted his attention principally to the dairy-factory system, which is gradually extending, there being about forty factories in operation, besides several extensive private dairies, where cream-separators and other factory arrangements are in daily use.

The export of both butter and cheese for 1886 shows an increase in value on the previous year: in butter £105,537, as against £102,387; in cheese £45,657, as against £35,742. This is all the more gratifying in the case of butter, from the fact that, notwithstanding New South Wales took less by £5,500 than the previous year, the export to the other colonies and to the United Kingdom more than made up for that falling away in the demand for New South Wales, which has hitherto been the best market. The recent moist season there has rendered that colony less dependent on New Zealand for supplies for the present. Further, a great deal of systematic attention has been given lately in New South Wales to butter-making. Cream-separators have been extensively introduced, cool chambers erected in Sydney, and a well-organized co-operative system set at work to supply the market. Further, there is the import duty of 1d. per pound, so that altogether the New Zealand farmer has more against him in that quarter than formerly.

The supply of the English market is the hope of the future extension of butter export from New Zealand. It is being tried, and apparently with success; for in 1886 there were 635½cwt. exported, against 273cwt. in 1885. The account-sales just received of a shipment from Wellington of good ordinary keg-butter in the cold chamber of one of the large steamers shows a gross return of from £3 5s. to £3 12s. per cwt. The unequal quality of the butter produced in the colony is what greatly lessens the price in the export market.

Every effort should be made, by the dissemination of information about the make of butter, to raise the standard of quality. In the south of Ireland, where butter is the principal agricultural